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SAPC - 16340
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4 June 1957

MEMORANDUM FOR: Project Contracting Officer

SUBJECT : Arrangements Respecting New Test Location

REFERENCE : SAPC-16267 dated 29 May 1957, same subject.

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1. I believe that the referenced memorandum from [redacted] is in order. Early estimates from [redacted] placed the cost of uniforms for guards at, roughly, \$200.00 each, so the figure of \$2438.80 does not seem too far out of line.

2. Initial estimates of the cost of transporting the remaining Contract SP-1914 articles from Bakersfield to Edwards AFB were \$.63 a mile so that the figure of \$.62 per mile is completely consistent. We had, however, directed the [redacted] to provide two tarpaulins to cover the equipment being transported, but either the tarpaulins were not available or the word was never received by Lockheed since they are now billing us for two tarps (per para 2 of ref).

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3. In connection with paragraph 3 of ref, I am in agreement in principle though I am exceedingly doubtful that we will ever see a statement of cost for subsistence less than the maximum of \$10.00 per day. In fact, I questioned [redacted] informally on this at the time of our last meeting in Los Angeles and he stated that while their arrangement is for the payment of normal subsistence not in excess of \$10.00 per day, he had difficulty remembering when anyone subsisted for less than this figure. I asked him what verification of actual expenses he demanded from his people and he said that because of the difficulty of obtaining receipts they were merely required to fill out a form periodically which in effect took the place of receipts, and they were at liberty to fill in whatever amount they had "actually" expended each day. Your guess and mine is that this figure will always add up to \$10.00.

4. I am pleased, however, to see that it has been decided by Lockheed that they will establish a ratio in closing out the direct labor hours charged to the FOG Flight Test Program and to our own R&D activity. This, I think, will make for a more easily administered final cost figure.

5. You will note in connection with the break down given on guards at Edwards AFB chargeable to SP-1913, that Lockheed has listed the maxi-

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mm \$10.00 per day subsistence as "per diem". This, I think, comes closer to the truth of the matter as far as the subsistence is concerned. In summary, if we can be assured that Lockheed will require from its workers either receipts or statements as to the actual subsistence costs at Edwards AFB, I believe we should go ahead and approve the proposal as it stands and I herewith concur.

JAMES A. CUNNINGHAM, JR.
Project Director of Administration
PCS/DCI

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